

OCC Argues for NU/NSTAR Merger Review at PURA

On Thursday, January 12, 2012, Consumer Counsel Elin Katz and OCC Attorney Joe Rosenthal participated in oral arguments before the Public Utilities Regulatory Authority (PURA), seeking review by PURA of the proposed merger of Northeast Utilities and NStar, the latter a Massachusetts-based utility holding company. PURA issued a Draft Decision on January 4, 2012, indicating that it now had jurisdiction and would review the proposed NU/NStar merger, after previously holding on June 1, 2011, that it lacked jurisdiction over the transaction. In the Draft ruling, PURA relied heavily on OCC's argument that since Massachusetts, in its review of the merger, was considering merger conditions that could impact Connecticut Light & Power Company and Yankee Gas, jurisdiction was now triggered. PURA also agreed with OCC in the Draft ruling that the changes that would occur as a result of the merger, including a substantial influx of NStar executives into NU, caused a change of control of NU and thus creates jurisdiction here. At the January 12 oral argument, OCC argued that PURA should finalize the draft, with minor changes, and order that review of the merger in Connecticut is required by law. The final ruling is due on January 18.

OCC is hopeful that a merger review will occur so that the interests of Connecticut's citizens and utility customers will be considered here, just as Massachusetts is actively reviewing the merger and how it may affect that state's interests.